

Message Text

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PAGE 01 PRAGUE 00386 100937Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 /097 W
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R 100830Z FEB 77
FM AMEMBASSY PRAGUE
TO SECSTATE WASHDC 2056
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY SOFIA
AMEMBASSY WARSAW
USMISSION EC BRUSSELS
USMISSION GENEVA
USMISSION NATO

C O N F I D E N T I A L PRAGUE 0386

E.O. 11652: GDS
TAGS: CSCE, PFOR, EEWT, CZ
SUBJECT: ECONADS: US BASKET TWO PROPOSALS FOR BELGRADE CSCE REVIEW

REFS A. PRAGUE 013664(NOTAL), B. PRAGUE 0023(NOTAL)
C. PRAGUE 2861(NOTAL)

1. SUMMARY: MOST BASKET TWO PROPOSALS LISTED REF A HAVE LITTLE
RELEVANCE TO CSSR. EXCEPTION IS 2 (B), WHICH EMBASSY
SUGGESTS PROMOTING AND EXPANDING TO INCLUDE NEED FOR PROMPTER, MORE
COMPLETE AND MORE DISAGGREGATED ECONOMIC STATISTICS. EMBASSY ALSO
SUGGESTS ADDING PROPOSAL FOR IMPROVED ACCESS OF WESTERN
BUSINESSMEN AND DIPLOMATS TO GOVERNMENT AND ENTERPRISE OFFICIALS.
END SUMMARY.

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PAGE 02 PRAGUE 00386 100937Z

2. WHILE WE RECOGNIZE THAT POSSIBLE NEW WESTERN BASKET TWO
PROPOSALS FOR BELGRADE CSCE REVIEW LISTED REF A ARE INTENDED FOR
EUROPEAN COMMUNIST COUNTRIES AS A GROUP, EMBASSY NOTES THAT MOST OF
THESE PROPOSALS HAVE LITTLE RELEVANCE TO CZECHOSLOVAKIA.
GOC CONTINUES TO LAG WELL BEHIND MOST OF ITS CEMA PARTNERS IN
FACILITATING COMMERCIAL CONTACTS WITH WEST. AS REPORTED REF B,

POLICY OF ALLOWING WESTERN FIRMS TO OPEN LOCAL REPRESENTATIONAL OFFICES (GOC'S BOLDEST MOVE TO DATE IN THIS FIELD) HAS RESULTED IN A NEAR FIASCO BECAUSE OF BUREAUCRATIC CONFUSION, DIFFICULT CONDITIONS IMPOSED ON COMPANIES INVOLVED AND OFFICIAL ATTITUDES RANGING FROM CAUTIOUS TO NEGATIVE TOWARD POLICY ITSELF. THERE HAS BEEN SOME PROGRESS HERE IN GRANTING MULTIPLE-ENTRY VISAS TO NON-RESIDENT BUSINESSMEN, BUT PRESENT REGIME SEEMS NO MORE LIKELY TO ALLOW JOINT EQUITY VENTURES THAN IT IS TO EXPEL RED ARMY.

3. THE IMPORTANT EXCEPTION IS PROPOSAL 2(B), WHICH WE BELIEVE IS WELL WORTH PROMOTING AND EXPANDING WITH REGARD TO OUR COMMERCIAL SITUATION HERE. IN CREATING COMMERCIAL INFORMATION ON CSSR AVAILABLE TO WESTERN BUSINESSMEN (AND DIPLOMATS FOR THAT MATTER) WOULD BE A SIGNIFICANT STEP FORWARD. WHILE WE NEITHER WANT NOR NEED DETAILED INFORMATION ON ALL LOCAL ENTERPRISES, WE DO NEED PUBLISHED INFORMATION ON MEDIUM AND HIGH LEVEL OFFICIALS OF FTO'S, MAJOR TRUSTS OF ENTERPRISES, GOVERNMENT (FEDERAL AND NATIONAL) MINISTRIES, RESEARCH INSTITUTES, ETC. EQUALLY IMPORTANT (REF C), WE SHOULD ADD TO PROPOSAL THE NEED FOR PROMPTER, MORE COMPLETE AND MORE DISAGGREGATED ECONOMIC STATISTICS, (E.G. PRODUCTION, IMPORTS, EXPORTS, CONSUMPTION, FOREIGN EXCHANGE RESERVES, OVERSEAS INDEBTEDNESS) AT BOTH INDUSTRIAL SECTOR AND MACRO-ECONOMIC LEVELS. GOC CONTINUES TO REFUSE OUR RECURRENT REQUESTS FOR BASIC STATISTICS ON NON-STRATEGIC INDUSTRIES SUCH AS WOOD PULP, TEXTILES AND AUTOMOBILES WITH NO OTHER EXPLANATION THAN ALLEGED "SENSITIVITY" OF DATA. EMBASSY OFFICERS FROM AMBASSADOR ON DOWN REGULARLY REMIND GOC OFFICIALS THAT THIS PASSION FOR SECRECY IS NOT COMPATIBLE WITH CSCE COMPLIANCE OR WITH ENCOURAGING EAST-WEST TRADE RELATIONS.

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PAGE 03 PRAGUE 00386 100937Z

4. FROM PRAGUE VANTAGE POINT, IT WOULD ALSO BE USEFUL TO ADD ANOTHER PROPOSAL TO REF A LIST: UNDER EXISTING BASKET TWO PROVISIONS RE "BUSINESS CONTACTS AND FACILITIES", PRESSING FOR IMPROVED ACCESS OF FOREIGN BUSINESSMEN AND DIPLOMATS TO GOVERNMENT AND ENTERPRISE (END-USERS) OFFICIALS. OUR CONTACTS HERE ARE TYPICALLY LIMITED TO A FEW MINISTRIES (FOREIGN TRADE, FOREIGN AFFAIRS AND TECHNOLOGY) FTO'S AND THE COMMERCIAL BANK, UNLESS WE GET SPECIAL PERMISSION FROM MFA. DIPLOMATS AND BUSINESSMEN SOMETIMES ARE ABLE TO CIRCUMVENT THIS REQUIREMENT, BUT THIS DOES NOT LESSEN OUR OPPOSITION TO THESE BARRIERS. EMBASSY BELIEVES WE SHOULD PRESS FOR ELIMINATION OF THESE RESTRICTIONS AND FOR FREER ACCESS TO HOST COUNTRY GOVERNMENT AND COMMERCIAL OFFICIALS FOR WESTERN BUSINESSMEN AND DIPLOMATS SO THAT THEY CAN DO THE WORK THEY ARE IN-COUNTRY TO DO.

BYRNE

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Message Attributes

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Copy: SINGLE
Sent Date: 10-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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